

Information/Action Item

California Student Aid Commission

Update on state issues and federal issues and legislation and consideration of positions on bills affecting Commission programs

The intent of this tab is to provide the Commission with an update of current Commission bills and recommendations for action on bills introduced since the February Commission meeting.

For your information, enclosed are:

- Tab 3.a Staff Analysis and Recommendations for Bills
- Tab 3.b Commission's 2009-10 Legislative and Budget Guiding Principles
- Tab 3.c 2010 Legislative Calendar

Recommended Action: Accept the recommendations of staff and adopt official positions on proposed legislation.

Responsible Person(s): Lori Nezhura, Legislative Liaison
Executive Division

STAFF ANALYSIS AND RECOMMENDATIONS FOR BILLS

AB 1703

AUTHOR: Knight (R)**TITLE:** Nursing Assumption Program of Loans for Education**INTRODUCED:** 02/01/2010**LAST AMEND:** 03/18/2010**LOCATION:** Senate Appropriations Committee

Summary: Provides for an additional loan assumption per year for a participant that completes qualified clinical registered nursing service at a state-operated veterans' home under the State Nursing Assumption Program of Loans for Education (SNAPLE-NSF). Adds active military duty in the United States Armed Forces to the list of occurrences that would authorize the extension of the term of a loan assumption agreement under the program.

Status: Heard in Senate Education Committee on 06/16/10. Passed to Senate Appropriations. No hearing date set.

Position: Support



AB 1997

AUTHOR: Portantino (D)**TITLE:** Community Colleges: Student Financial Aid Programs**INTRODUCED:** 02/17/2010**LAST AMEND:** 03/17/2010**LOCATION:** Senate Education Committee

Summary: Authorizes a community college district to use the simplified Board of Governor's Fee Waiver (BOG) form solely on a case-by-case basis, and only under certain conditions. Requires the use of the Free Application for Federal Student Aid (FAFSA) for all other financial aid applicants. Requires a community college district that elects to use the simplified form to annually report to the Chancellor of the Community Colleges the number of simplified forms used and its justifications for the use of that form.

Status: To be heard in Senate Education Committee on 06/23/2010. Update to be provided at Commission meeting.

Commentary: This bill appears to be in response to recent reports by the Institute for College Access and Success (TICAS) and CollegeBoard that state that community college students are much less likely than their four-year counterparts to file the Free Application for Federal Student Aid (FAFSA). According to TICAS, California community college students are leaving hundreds of millions of dollars in federal grants unutilized.

California community college financial aid administrators maintain that the reports simply test one factor of Pell eligibility—financial eligibility—and the majority of the students who were identified as “Pell-eligible” in the reports would not meet other eligibility factors.

STAFF ANALYSIS AND RECOMMENDATIONS FOR BILLS

Furthermore, administrators are concerned that the requirement for all BOG applicants (with limited exceptions) to file the FAFSA will impair student access in two ways: (1) students who apply the day/week classes begin, may not have all paperwork complete in time to register for classes; and (2) with a major increases in the number of FAFSAs this year due to economic pressures, and another significant increase in FAFSAs due to this new requirement, community college financial aid offices would fall significantly behind in processing FAFSAs for all students. (Some schools already report up to a two-week backlog.)

Some Senate staff are concerned that certain students, concerned about filing the FAFSA for various reasons, will simply “walk away” from college if they perceive that they will be forced to file the FAFSA.

It is staff’s understanding that the author will be offering amendments to reduce the statewide implementation of this bill to a localized pilot study, and the Chancellor will have the authority, within guidelines, to select the institutions to participate in the pilot. This will allow the Legislature to gather data about the various reasons why students do not file FAFSAs in order to facilitate future changes beneficial to all students.

Position: Staff recommends the Commission adopt a position of **Support as Amended**. Staff agrees with the author that policies need to be in place to assist students in accessing all of the “free” student aid for which they are eligible; however, there are still many valid concerns about access that need to be addressed before implementing a statewide “one-size-fits-all” policy. Staff recommends that the Commission support this bill as amended by the author in Senate Education Committee to develop a pilot program at select community colleges/districts with the goal of learning about financial aid application behaviors and consequences of universal use of the FAFSA. The data gleaned from this pilot, along with the policy recommendations of the CollegeBoard and TICAS report, will assist Legislators to set requirements that will help all community college students maximize their access to student financial aid.

Guiding Principles: Foster Educational Access and Affordability; Preserve the Flow of Financial Aid

STAFF ANALYSIS AND RECOMMENDATIONS FOR BILLS



AB 2086

AUTHOR: Coto (D)

TITLE: Cal Grant: License Examination Passage Rates

INTRODUCED: 02/18/2010

LAST AMEND: 05/06/2010

LOCATION: Senate Education Committee

Summary: Redefines qualifying institution for purposes of the Cal Grant program to mean an institution that is within any of the categories listed in existing law *and* that complies with a requirement to provide information on where to access license examination passage rates for graduates of specified programs if that data is electronically available through the Internet Web site of a state licensing or regulatory agency.

Status: To be heard in Senate Education Committee on 06/23/2010. Update to be provided at the Commission meeting.

Commentary: The sponsor's (EdVoice) purpose behinds this bill is to ensure that student's have access to the latest information about a particular campuses' program effectiveness (including license passage rates and job placement) during the matriculation process. Currently, licensing data exists with other state or regulatory entities, and this bill simply requires the campus Web site to provide a link to the licensing or regulatory entity's Web site for ease of research.

In the Assembly, the bill was amended by adding this to the requirements an institution must satisfy to participate in the Cal Grant Program.

Some financial aid administrators are concerned that this bill adds yet another requirement for state/federal student financial aid eligibility for which the responsibility for compliance lies elsewhere on the campus, outside the purview of the financial aid office. However, the new requirement would be included among other existing certifications in the Cal Grant Institutional Participation Agreement (IPA). The IPA is signed by the president/chancellor/CEO and signifies the institutional commitment to compliance with all eligibility factors.

While all agree that students should have the maximum amount of information available to them in their college/program decision-making process, some community colleges are concerned that their open-access mission and commitment to remediation and transfer may result in lower than average license passage rates. Some community college financial aid administrators are worried that taking these rates out of context may reflect poorly on individual campuses' programs. There is nothing in the bill that would prohibit colleges from providing additional information to students about the institutions' license passage rates.

Position: Staff recommends that the Commission adopt a position of **Support** on this bill. AB 2083 provides students with the widest possible source of licensure data for their campus/program comparison and selection process without burdening campus officials to gather and report that data.

Guiding Principle: Ensure the Availability of Information on Educational Opportunities

STAFF ANALYSIS AND RECOMMENDATIONS FOR BILLS



SB 957

AUTHOR: Price (D)

TITLE: Student Financial Aid

INTRODUCED: 02/05/2010

LAST AMEND: 05/03/2010

LOCATION: Assembly Higher Education

Summary: Requires the Student Aid Commission to develop and regularly review and update the areas of occupational or technical training for which students may utilize Cal Grant C awards. Requires the Commission to give priority in granting such awards to students pursuing occupational or technical training in high-need, high-growth, high-pay occupations. Requires the Legislative Analyst's Office to submit a report containing specified data on the outcomes of the Cal Grant C Program on an on-going basis.

Status: To be heard in Assembly Higher Education Committee on 06/22/2010. Update to be provided at the Commission meeting

Commentary: The author's purpose behind this bill is to maximize the State's funds in Cal Grant C awards to the benefit of the State's economy and recipients' earning power upon completion of their program. Furthermore, by steering students into occupations with great need or growth, students can be afforded the greatest measure of job placement and security.

SB 957 is one of 27 bills in a jobs package that is being promoted by Senate President pro Tempore Darrell Steinberg and the Senate Democratic Caucus.

Position: Staff recommends the Commission adopt a position of **Support** for SB 957.

Guiding Principle: Foster Educational Access and Affordability: preserve and expand the Cal Grant C program.

SB 1382

AUTHOR: Veterans Affairs Cmt

TITLE: Student Financial Aid: Cal Grant: Methodology

INTRODUCED: 02/19/2010

LAST AMEND: 04/05/2010

LOCATION: Assembly Higher Education

Summary: Deletes the requirement in law that new Cal Grant need be calculated consistent with the methodology used by the Student Aid Commission in 2000.

Status: To be heard in Assembly Higher Education Committee on 06/22/2010. Update to be provided at the Commission meeting.

Position: **Sponsor**

STAFF ANALYSIS AND RECOMMENDATIONS FOR BILLS



SB 1460

AUTHOR: Cedillo (D)

TITLE: Student Financial Aid: Eligibility

INTRODUCED: 02/19/2010

LAST AMEND: 06/02/2010

LOCATION: Assembly Higher Education Committee

Summary: Enacts the Dream Act of 2010. AB 540 (Chapter 814, Statutes of 2001) exempts a nonresident who attended high school in the state of California for three or more years and graduated from secondary school from paying nonresident tuition at the California Community Colleges and the California State University. This bill enables AB 540 students to apply for and receive institutional and state student financial aid.

Status: To be heard in Assembly Higher Education Committee on 06/22/2010. Update to be provided at the Commission meeting.

Commentary: SB 1460 is one of several Dream Act bills that have been introduced by the author during his tenure as a California State Senator. The author's purpose behind this bill is to ensure that AB 540 students have equal access to higher education and postsecondary financing as other California residents, regardless of citizenship status.

Position: Staff recommends the Commission adopt a position of **Support**, consistent with past Commission actions.

Guiding Principle: Foster Educational Access and Affordability

COMMISSION'S 2009-10 LEGISLATIVE AND BUDGET GUIDING PRINCIPLES

The Commission adopted the following Guiding Principles for the 2009-10 Legislative Session at their November 21, 2008 meeting.

It is essential that the Commission collaborate with the Legislature and the Administration to ensure that the Cal Grant program and other specialized aid programs are successful. The continued commitment from the State to improve the availability and amount of financial aid is crucial to secure educational access for all California students. This commitment strengthens the state's economic well-being by educating California's future workforce.

California statute (Education Code §66021.2) adopted as part of the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (SB 1644, Chapter 403, Statutes of 2000) affirms the state's historic commitment to provide educational opportunity to students pursuing a higher education by ensuring both student access and choice for students with financial need and who meet academic criteria.

The California Student Aid Commission (Commission) has a long-standing commitment to pursue increased resources for student financial aid. Therefore, the Commission continues to support the policies adopted by the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act and opposes any changes that would undermine them. Consequently, the following policy principles are the priorities of the Commission, and the Commission urges the Governor and Legislature to support them.

MISSION: To make education beyond high school financially accessible to *all* Californians.

GOAL: To ensure all California students learn about and apply for benefits provided through the Cal Grant program and other specialized aid programs the Commission administers and to serve the public interest by providing quality financial aid services, including student loans at a reasonable cost to those students who need financial assistance to attend a college or university.

PRINCIPLES: Recognizing the critical need to maintain Legislative and Executive support for postsecondary educational opportunities, the Commission seeks to

- 1. Foster Educational Access and Affordability;***
- 2. Ensure the Availability of Information on Educational Opportunities;***
- 3. Preserve the Flow of Financial Aid; and***
- 4. Ensure Adequate Support and Flexibility for Commission Operations and Its Programs.***

*Numbering principles in no way indicates priorities; all principles are equally considered.

The guiding principles and objectives should be reviewed at the beginning of each legislative session to ensure they continue to be applicable, valid, and supportive of the Commission's mission.

Each of these principles is discussed in further detail below.

COMMISSION'S 2009-10 LEGISLATIVE AND BUDGET GUIDING PRINCIPLES

PRINCIPLE #1: Foster Educational Access and Affordability

The Commission and the State should advocate for increased higher education opportunities by providing all California students financial access to the postsecondary education of their choice.

OBJECTIVES:

- Encourage the expansion of financial aid to the growing number of California college students who demonstrate financial need as the cost of completing a postsecondary education continues to rise;
- Cultivate legislative and budget actions that protect, strengthen, and increase the state's General Fund commitment to student financial aid;
- Encourage continued bipartisan support for funding of statutory growth in the Cal Grant programs and for continued access to lower interest federal student loans administered through EDFUND;
- Promote expanded educational and transfer opportunities for students transferring from community colleges to four-year colleges;
- Seek the greater utilization and enhancement of all Commission-administered specialized programs; and
- Enhance the benefits to those participating in state or federal tuition savings plans that encourage saving while offering tax relief incentives, such as the ScholarShare Program.

**PRINCIPLE #1: Foster Educational Access and Affordability
FUNDING OBJECTIVES FOR THE CAL GRANT PROGRAM**

- ❖ **Preserve and Expand the Cal Grant Entitlement and Competitive Programs**
 - **Eligibility Requirements**
 - Maintain statutory GPA requirements
 - Maintain statutory income ceiling
 - Support eligibility requirements that provide greater student access to the program
 - **Award Value**
 - Cover full-fee funding for University of California and California State University students
 - Retain the current maximum award amount for nonpublic postsecondary institutions and support the development of a statutory formula that adjusts the maximum award amount for nonpublic postsecondary institutions and would not be subject to the annual budget process
 - Recommend and fully support increases to the Cal Grant B access award and first year tuition for Cal Grant B recipients
 - **Competitive Awards**
 - Advocating for funds that increase the number of Competitive Cal Grant awards for qualified non-recipient students
- ❖ **Preserve and Expand the Cal Grant C Program**
 - **Eligibility Requirements**
 - Maintain statutory income ceiling
 - Support eligibility requirements that provide greater student access to the program
 - **Award Value**
 - Support, at a minimum, the current maximum grant amount for institutional tuition and fees at applicable postsecondary institutions
 - Support increases to the book and supplies allowance
 - **Number of Awards**
 - Recommend and fully support increases in the number of awards in the Cal Grant C program
 - Support expanded financial aid opportunities for career technical education students

COMMISSION'S 2009-10 LEGISLATIVE AND BUDGET GUIDING PRINCIPLES

PRINCIPLE #2: Ensure the Availability of Information on Educational Opportunities

The Commission should work to expand and strengthen its early, statewide outreach efforts to middle and high school students as well as to non-traditional, re-entry and older students.

OBJECTIVES:

- Continue to advocate for adequate funding for outreach, academic preparation, and public awareness activities;
- Promote the availability of information on college educational opportunities for all California students and families;
- Provide information and guidance to students and their families on alternative methods for financing a college education;
- Provide the resources needed to maximize the effectiveness of the California Student Opportunity and Access Program (Cal-SOAP) and the Cash for College program;
- Encourage the expansion of public and private partnerships in the Cash for College program;
- Strengthen the Commission's partnership with the Superintendent of Public Instruction and local school districts; and
- Recognize that the Commission's outreach programs are designed to supplement and not supplant the activities that should be provided by secondary schools and districts.

PRINCIPLE #3: Preserve the Flow of Financial Aid

The Commission should promote the uninterrupted flow of student financial aid to enable students to achieve their educational goals. The process of applying for and receiving student aid should be as simple as possible for students and their families, educational institutions, and other program participants.

OBJECTIVES:

- Advocate for federal and state actions that result in a streamlined application process for California students;
- Advocate for continued enhancements and improvements to the Grant Delivery System to promote transparency and ease of use in the system while maintaining speed and accuracy;
- Advocate for policies that promote the cost-effective and timely administration of student financial aid programs;
- Strengthen the Commission's communication and partnerships with financial aid administrators through written communication and other training opportunities related to program changes and informational updates; and
- Encourage the expansion of public and private partnerships in the Cash for College program.

COMMISSION'S 2009-10 LEGISLATIVE AND BUDGET GUIDING PRINCIPLES

PRINCIPLE #4: Ensure Adequate Support and Flexibility for Commission Operations

The Commission should ensure that it can administratively fulfill its essential mission and responsibilities.

OBJECTIVES:

- Work with the Legislature and the Administration to ensure the Commission continues to maintain the resources, including funding, equipment, and skilled personnel, necessary for an uninterrupted flow of financial aid and services to California students;
- Work to ensure that any new specialized programs have appropriate resources;
- Advocate for additional resources for new, advanced technology for delivery and customer services; and
- Continue evaluating the opportunities offered through, and the potential impact to the Commission and EdFund model in light of the potential sale of EdFund.

COMMISSION'S 2009-10 LEGISLATIVE AND BUDGET GUIDING PRINCIPLES

PARTICIPATION IN THE LEGISLATIVE PROCESS

POSITIONS ON BILLS

Staff will draft an objective analysis of all legislative bills that affect the Commission. All positions will be in a "pending" status until the Commission has the opportunity to review the legislation and analysis and take an official position. During the legislative session, the Commission should support these legislative principles by taking the following actions for proposed legislation at Commission meetings as appropriate.

No Position

- A bill that the Commission has not yet discussed or is not relevant to the Commission's mission or Legislative Principles.

Neutral

- A bill that is not within the scope of the Commission's responsibility or would not affect the Commission's operations or procedures.

Support

- Supports the Commission's mission and principles.

Neutral if Amended, Support if Amended, or Oppose unless Amended

- The Commission's position would change if recommended amendments are made to resolve implementation or policy concerns. This position should indicate which concerns must be resolved before the Commission would change its position.

Oppose

- A bill that is in conflict with the Commission's mission and principles; it cannot be administered; it is too costly and burdensome to the Commission, the students, and schools.

Sponsor

- A bill proposal that the Commission identifies as beneficial to preserve or enhance service to California students and families and central to the Commission's administration of its programs, its mission and its legislative principles.

OPPORTUNITIES FOR DIRECT INVOLVEMENT

Staff will request the Commission's involvement during the legislative session as opportunities arise. Commission staff will develop and provide Commissioners with an advocacy binder to aid the Commissioners in communicating Commission policy and messaging.

- Discussions related to the January Governor's Budget, 2nd-year bills and new proposals beginning in January;
- Participation in the Commission-sponsored annual Legislative Briefing Day and annual Cash for College Kick-off;
- Work with Commission staff to arrange visits with member offices to promote the Mission and advocate for the passage of Commission-supported legislation;
- Work with legislative budget committee staff to preserve the Cal Grant program and maintain adequate funding for Commission operations; and
Work in coordination and cooperation with our partners in the financial aid community including secondary schools, all segments of higher education, and state and national financial aid associations by attending board and annual meetings and Webinars.

2010 LEGISLATIVE CALENDAR

DEADLINES

- Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).
- Jan. 4 Legislature reconvenes (J.R. 51(a)(4)).
- Jan. 10 Budget must be submitted by Governor (Art. IV, Sec. 12 (a)).
- Jan. 15 Last day for **policy committees** to hear and report bills introduced in 2009 for referral to **fiscal committees** (J.R. 61(b)(1)).
- Jan. 18 Martin Luther King, Jr. Day.
- Jan. 22 Last day for any committee to hear and report to the **Floor** bills introduced in their house in 2009 (J.R. 61(b)(2)). Last day to submit bill requests to the Office of Legislative Counsel.
- Jan. 31 Last day for each house to pass bills introduced in 2009 (J.R. 61(b)(3)) (Art. IV, Sec. 10(c)).

JANUARY							
	S	M	T	W	TH	F	S
Interim Recess						1	2
Wk. 1	3	4	5	6	7	8	9
Wk. 2	10	11	12	13	14	15	16
Wk. 3	17	18	19	20	21	22	23
Wk. 4	24	25	26	27	28	29	30
Wk. 1	31						

FEBRUARY							
	S	M	T	W	TH	F	S
Wk. 1		1	2	3	4	5	6
Wk. 2	7	8	9	10	11	12	13
Wk. 3	14	15	16	17	18	19	20
Wk. 4	21	22	23	24	25	26	27
Wk. 1	28						

- Feb. 15 Presidents' Day observed.
- Feb. 19 Last day for bills to be introduced (J.R. 61(b)(4), J.R. 54(a)).

MARCH							
	S	M	T	W	TH	F	S
Wk. 1		1	2	3	4	5	6
Wk. 2	7	8	9	10	11	12	13
Wk. 3	14	15	16	17	18	19	20
Wk. 4	21	22	23	24	25	26	27
Spring Recess	28	29	30	31			

- Mar. 25 Spring Recess begins upon adjournment (J.R. 51(b)(1)).
- Mar. 29 Cesar Chavez Day observed.

APRIL							
	S	M	T	W	TH	F	S
Spring Recess					1	2	3
Wk. 1	4	5	6	7	8	9	10
Wk. 2	11	12	13	14	15	16	17
Wk. 3	18	19	20	21	22	23	24
Wk. 4	25	26	27	28	29	30	

- Apr. 5 Legislature reconvenes from Spring Recess (J.R. 51 (b)(1)).
- Apr. 23 Last day for **policy committees** to hear and report to fiscal committees fiscal bills introduced in their house (J.R. 61(b)(5)).

MAY							
	S	M	T	W	TH	F	S
Wk. 4							1
Wk. 1	2	3	4	5	6	7	8
Wk. 2	9	10	11	12	13	14	15
Wk. 3	16	17	18	19	20	21	22
Wk. 4	23	24	25	26	27	28	29
No Hrgs.	30	31					

- May 7 Last day for **policy committees** to hear and report to the floor **nonfiscal** bills introduced in their house (J.R. 61(b)(6)).
- May 14 Last day for **policy committees** to meet prior to June 7 (J.R. 61(b)(7)).
- May 28 Last day for **fiscal committees** to hear and report to the floor bills introduced in their house (J.R. 61 (b)(8)). Last day for **fiscal committees** to meet prior to June 7 (J.R. 61 (b)(9)).
- May 31 Memorial Day observed.

2010 LEGISLATIVE CALENDAR

JUNE							
	S	M	T	W	TH	F	S
No Hgs.			1	2	3	4	5
Wk. 1	6	7	8	9	10	11	12
Wk. 2	13	14	15	16	17	18	19
Wk. 3	20	21	22	23	24	25	26
Wk. 4	27	28	29	30			

- June 1-4** Floor session only. No committee may meet for any purpose (J.R. 61(b)(10)).
- June 4** Last day to pass bills out of house of origin (J.R. 61(b)(11)).
- June 7** Committee meetings may resume (J.R. 61(b)(12)).
- June 15** Budget Bill must be passed by midnight (Art. IV, Sec. 12(c)).
- June 24** Last day for a legislative measure to qualify for the Nov. 2 General Election ballot. (Elec. Code Sec. 9040)

JULY							
	S	M	T	W	TH	F	S
Wk. 4					1	2	3
Summer Recess	4	5	6	7	8	9	10
Summer Recess	11	12	13	14	15	16	17
Summer Recess	18	19	20	21	22	23	24
Summer Recess	25	26	27	28	29	30	31

- July 2** Last day for policy committees to hear and report bills (J.R. 61(b)(13)). Summer Recess begins on adjournment, provided Budget Bill has been passed (J.R. 51(b)(2)).
- July 5** Independence Day observed.

AUGUST							
	S	M	T	W	TH	F	S
Wk. 1	1	2	3	4	5	6	7
Wk. 2	8	9	10	11	12	13	14
No Hgs.	15	16	17	18	19	20	21
No Hgs.	22	23	24	25	26	27	28
No Hgs.	29	30	31				

- Aug. 2** Legislature reconvenes from Summer Recess (J.R. 51(b)(2)).
- Aug. 13** Last day for fiscal committees to hear and report bills to the Floor (J.R. 61(b)(14)).
- Aug. 16 - 31** Floor session only. No committee may meet for any purpose (J.R. 61(b)(15)).
- Aug. 20** Last day to amend on the Floor (J.R. 61(b)(16)).
- Aug. 31** Last day for any bill to be passed (Art. IV, Sec 10(c), J.R. 61(b)(17)). Final Recess begins on adjournment (J.R. 51(b)(3)).

IMPORTANT DATES OCCURRING DURING FINAL RECESS

2010

- Sept. 30 Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor's possession on or after Sept. 1 (Art. IV, Sec.10(b)(2)).
- Oct. 2 Bills enacted on or before this date take effect January 1, 2011 (Art. IV, Sec. 8(c)).
- Nov. 2 General Election.
- Nov. 30 Adjournment *sine die* at midnight (Art. IV, Sec. 3(a)).
- Dec. 6 2011-12 Regular Session convenes for Organizational Session at 12 noon (Art. IV, Sec. 3(a)).

2011

- Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).